

Agenda Item	7
Report No	PLA 22/17

HIGHLAND COUNCIL

Committee: Places Committee

Date: 16 August 2017

Report Title: Revenue Budget – Monitoring 2017/18

Report By: Director of Development & Infrastructure

1. Purpose/Executive Summary

- 1.1 This report invites Members to approve the revenue monitoring position for the Development and Infrastructure Service for the period 1 April 2017 to 30 June 2017.

2. Recommendations

- 2.1 Members are invited to approve the revenue monitoring position for the period 1 April 2017 to 30 June 2017, and the actions which have been put in place to manage the budget over the remainder of the financial year.

3. Background

- 3.1 This report is produced in support of the Council's corporate governance process, which in turn is designed to support/augment the Council's overall/corporate delivery of all of its obligations in terms of the Single Outcome agreement.

4. Revenue Monitoring

- 4.1 The overall budget for Development and Infrastructure in financial year 2017/18 is £21.326m. The revenue expenditure monitoring statements, appended to this report at **Appendix 1**, show the financial position to 30 June 2017. In total, the expenditure is currently in line with the budget outturn target.

5. Budget Savings

- 5.1 All of the savings, both Service specific and corporate and transformational, have been reflected in the Development and Infrastructure 2017/18 budget, and have been allocated across all parts of the Service, where appropriate.
- 5.2 An updated Red/Amber/Green (RAG) analysis of Service specific and corporate and transformational agreed budget savings for the current financial year is set out on **Appendix 2**. This statement reflects the position for the financial year. The Renewables saving measure marked "red" totalling £0.050m, will be met from elsewhere within the Service.

6. Year - End Projection

- 6.1 The year to date actual figures represent the transactions for the three months ended 30 June 2017, and are generally in line with management expectations. To deliver a balanced budget will be a challenge.
- 6.2 Members will note that, based on the financial performance to date and the actions already taken, it is predicted that at the end of the financial year the budget as a whole will be balanced.

7. Major Issues and Variances

- 7.1 At present there are no major issues or variances to be highlighted. However, all income streams have been increased, some considerably, and they will be closely monitored on a month-by-month basis to ensure the targets are achievable.

8. Actions Proposed

- 8.1 Managers will review their respective parts of the Service to identify where costs can be reduced without affecting service delivery, with a view to managing overspends, or approved savings measures that may not be fully achieved.
- 8.2 Budgets will be closely managed and any underspends will be used to offset overspends and pressures within the overall Development and Infrastructure budget.

9. Implications

- 9.1 Resource - Resource implications are discussed in the report.

- 9.2 Risk - Risk implications to the budget position, and budget assumptions, will be kept under regular review and any risks identified reported to future Committees.
- 9.3 Community (Equality, Poverty and Rural), Climate change/ Carbon Clever, Legal, Gaelic – there are no implications arising as a direct result of this report.

Designation: Director of Development and Infrastructure

Date: 7 August 2017

Author: Ailsa Mackay, Business Manager

Background Papers: Monitoring Statement 30/6/2017 and the Highland Council Financial Ledger

DEVELOPMENT AND INFRASTRUCTURE Revenue Expenditure Monitoring Report

1 APRIL 2017 - 30 JUNE 2017

Summary

	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
BY ACTIVITY				
Directorate				
Director & Business Team	528	1,058	1,058	0
Planning & Building Standards	1,448	4,590	4,590	0
Infrastructure				
Project Design Unit	474	(950)	(950)	0
Flood Risk Assessment	37	164	164	0
Environment & Economic Development				
Environment	(419)	1,507	1,507	0
Economy & Regeneration	399	1,608	1,608	0
Employability Service	829	730	730	0
Property				
Energy & Sustainability	745	(1,306)	(1,306)	0
Property Asset Management	1,104	2,503	2,503	0
Revenue Maintenance	792	4,602	4,602	0
Catering, Cleaning & Facilities Management	3,611	14,967	14,967	0
Housing Development & Private Sector Housing Grant	389	1,679	1,679	0
Investment Properties	(544)	(2,122)	(2,122)	0
Technical, Design & Projects	(1,756)	(3,100)	(3,100)	0
Income				
Planning Fee Income	(755)	(2,626)	(2,626)	0
Building Warrant Fee Income	(549)	(1,978)	(1,978)	0
	6,333	21,326	21,326	0
BY SUBJECTIVE				
Staff Costs	8,092	35,403	35,403	0
Other Costs	3,704	21,179	21,179	0
Gross Expenditure	11,796	56,582	56,581	0
Grants	296	(4,290)	(4,290)	0
Other Income	(5,759)	(30,966)	(30,966)	0
Total Income	(5,463)	(35,256)	(35,256)	0
	6,333	21,326	21,326	0

Notes

1. Percentage of annual budget

	Expenditure	Income
This year	<u>21%</u>	<u>15%</u>
Last year	<u>27%</u>	<u>20%</u>

**2. Appeals, Public Local Inquiries and Court Cases
(included above in Planning & Building Standards)**

	Actual Year to Date £000
PLIs General	2
Druim Ba Wind Farm	27
Glenmorie Wind Farm	1
Cnoc an Eas Wind Farm	18
West Garty Wind Farm	13
Caplich Wind Farm	2
Culachy Wind Farm	17
TOTAL	<u>80</u>

Service	Saving Owner	Agreed Date	Ref.	Activity Heading	Saving Category	Savings Proposal	2017/18 £m	Saving RAYG (enter R, A, Y or G)	Projected Saving - Red, Amber, Yellow £m
D&I	SB	18/12/14	3	Planning & Building Standards	Income generation	Increased Planning & Building Standards Fees	0.025	G	
D&I	SB	18/12/14	4	Project Design Unit	Service reviews	Increased in-house professional staffing to reduce need of consultancy support to deliver capital programme	0.010	G	
D&I	SB	18/12/14	5	Property	Service reviews	Increased in-house professional staffing to reduce need of consultancy support to deliver capital programme <i>Savings reduced HC 16/02/17</i>	0.035	G	
D&I	SB	18/12/14	6	Housing Development	Income generation	Increased Industrial Development Charges	0.027	G	
D&I	SB	16/02/17	1	Environment		Reduction in countryside rangers service and Access team and restructuring of Environmental Projects team	0.371	G	
D&I	SB	16/02/17	2	Economy & Regeneration		Revise European, Business Gateway and Tourism Services	0.305	G	
D&I	SB	16/02/17	3	Employability Service		Reduction in employability team and grants to third parties	0.331	G	
D&I	SB	16/02/17	4	Energy & Sustainability		Generate additional Scottish Energy Efficiency Income (SEEPS) by coordinating Highland-wide programmes of work	0.250	G	
D&I	SB	16/02/17	5	Property Asset Management		Reduce the number of Property Assets held on the Property Office Accommodation Account <i>Included as Corporate saving for allocation across Services</i>			
D&I	SB	16/02/17	6	Flood Risk Management		Reduce the revenue budget for flood risk management	0.100	G	
D&I	SB	16/02/17	7	Service-wide		P & B S Income - increase charges : £100k Property Principal PM(HC10) : £53k Property Efficiencies : £145k Director /Business Team : £131k <i>Deletion of vacant posts across the service : £240k</i>	0.669	A	
Corp	SB	16/02/17	D&I/5	Property Asset Management		Reduce the number of Property Assets held on the Property Office Accommodation Account <i>Original agreed savings of £0.150m less £0.035m shown separately as 2017/18 TSP savings for Inverness Property Rationalisation</i>	0.115	A	
TSP	SB	18/12/14	CIP IG /7	Income Generation	Income generation	Opportunities to be identified	0.180	A	
TSP	SB	18/12/14	IG10	Support for Council Renewable Projects	New initiatives	Capital investment in wind farms, solar panels and exploitation of methane gas from Longman landfill site to generate electricity	0.050	R	Nil achieved 16/17 - no permanent alternative, so £234k budget pressure 17/18; Position likely to remain for 17/18 saving as well
TSP	SB		Agreed HC 13/03/14	Fort William Office Review	Efficiencies	Savings as included in HC report 13 March 2014, based on report to 27 November 2013 FHR Committee		G	